United Nations A C.5/60/SR.1

General Assembly
Sixtieth session

Official Records

Distr.: General
26 October 2005

Original: English

Fifth Committee

Summary record of the 1st meeting
Held at Headquarters, New York, on Monday, 10 October 2005, at 10 a.m.

Chairman: Mr. Ashe ..... (Antigua and Barbuda)

Acting Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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05-54157 (E)

The meeting was called to order at 10.05 a.m.

Expression of sympathy in connection with the recent earthquake in South Asia and tropical storm in Central America

1. **The Chairman**, on behalf of all the members of the Committee, expressed sympathy to the Governments of those countries affected by the recent earthquake in South Asia and tropical storm in Central America.

Organization of work (A/60/250 and Corr.1; A/C.5/60/1; A/C.5/60/L.1)

2. **The Chairman** invited members to consider the proposed programme of work of the Committee for the main part of the session, as set forth in the informal paper circulated to delegations. The proposed programme of work had been prepared on the basis of the list of agenda items allocated to the Committee by the General Assembly, which was contained in document A/C.5/60/1. The status of preparedness of the relevant documentation for those items was described in document A/C.5/60/L.1. A revised list of documents would be issued shortly under the symbol A/C.5/60/L.1/Rev.1.

3. He wished to highlight some of the recommendations made by the General Committee in document A/60/250, which the Assembly had adopted at its 17th meeting, on 20 September 2005. The Fifth Committee should, inter alia, complete its work for the main part of the session by Friday, 9 December 2005. Meetings of the Main Committees, including informal meetings, should start promptly at 10 a.m. and be adjourned by 6 p.m. During the final week of Ramadan, the hours of the meetings of the Main Committees should be from 9.30 a.m. to 12.30 p.m. and from 2.30 p.m. to 5.30 p.m. at the latest. In that connection, he noted that the Bureau had recommended that the meetings of the Fifth Committee during that period should end at 4.30 p.m. The General Assembly had also decided, in accordance with past practice, to waive the requirement that at least one quarter of the members of a Main Committee should be present in order to declare a meeting open and to permit the debate to proceed. Efforts should be made to reduce the number of resolutions adopted. In addition, the Main Committees should merely take note of the reports of the Secretary-General or of subsidiary organs which did not require a decision by the Assembly. Regarding documentation, the Assembly had requested Member States to exercise restraint in making requests for new reports and to opt for integrated reports instead.

4. Turning to questions related to the programme budget, he drew attention to rule 153 of the rules of procedure of the General Assembly, regarding statements of programme budget implications. He recalled that, in paragraphs 12 and 13 of its decision 34/401, the Assembly had urged each Main Committee to allow sufficient time for the Secretariat to prepare estimates of expenditures arising from draft resolutions and for the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Fifth Committee to consider such estimates. The Assembly had decided that a mandatory deadline (not later than 1 December) should be established for the submission to the Fifth Committee of all draft resolutions with financial implications. The Fifth Committee should, as a general practice, consider accepting without debate the recommendations of the Advisory Committee on the financial implications of draft resolutions up to a limit of $25,000 on any one item. A minimum of 48 hours should be allowed between the submission and the voting of a proposal involving expenditure in order to allow the Secretary-General to prepare and present the related statement of administrative and financial implications. Lastly, he invoked the provisions of regulation 5.9 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME Rules) and of General Assembly resolution 45/248 B, concerning the role and prerogatives of the Fifth Committee and the Advisory Committee.

5. **Ms. Galvez** (United Kingdom), speaking on behalf of the European Union, the acceding countries (Bulgaria and Romania), the candidate countries (Croatia and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Iceland, Norway, the Republic of Moldova and Ukraine, said that the Committee's programme of work must reflect its priorities. The 2005 World Summit Outcome represented an ambitious agenda for change, including in many areas relevant to the work of the Committee. It was now time for follow-up. In that context, the European Union regarded the speedy and effective

implementation of the decisions on United Nations reform as a key priority. Other priorities included approval of the proposed programme budget for the biennium 2006-2007 and of the four peacekeeping budgets on the agenda. The European Union regretted the lack of timely and complete documentation in all six official languages. Nevertheless, it trusted that the Committee would take the time it needed to consider those budgets. In addition, the Committee must adopt a meaningful decision on the capital master plan.

6. She noted with regret that, in recent years, the Committee had increasingly resorted to working at night and at the weekend as the end of the session approached, leading to protracted discussions between tired delegates which achieved questionable results. The European Union saw no value in that form of decision-making, particularly in the very Committee charged with promoting efficient management practices. The Committee should instead make optimum use of its time by starting meetings punctually, ensuring that delegations delivered concise statements and submitting proposals to coordinators in a timely manner. More importantly, it should focus on its principal function of policy-setting and avoid unnecessary discussion of detail. The European Union was not convinced that the deadline of 9 December 2005 represented a realistic end date for the Committee's work. She proposed that the Committee should aim to complete its work by 16 December 2005.

7. **Ms. Taylor Roberts** (Jamaica), speaking on behalf of the Group of 77 and China, expressed regret at the late issuance of documentation, a perennial problem which adversely affected the effectiveness of the Committee's work. The Group was particularly concerned about the Committee's ability to deal expeditiously with time-bound items, including budget-related ones, as well as items deferred from the previous session. The Committee should endeavour to conclude its consideration of as many items as possible, thus avoiding the deferral of an excessive number of items to the resumed session. Coordinators would play a crucial role in that regard. Having reviewed the items allocated to the Committee and the status of preparedness of documentation, the Group wished to propose that the Committee should approve the programme of work for the first week of the session only. The Chairman should take up the late issuance of documentation with the Secretariat and, if necessary, request the departments responsible to account for their actions.

8. **Mr. Torres Lépori** (Argentina), speaking on behalf of the Rio Group, associated the Group with the statement made by the representative of Jamaica on behalf of the Group of 77 and China and expressed the hope that the proposals recently made by the High-level Plenary Meeting of the General Assembly concerning the management of the Organization would be adequately reviewed by the Advisory Committee and ultimately considered by the Fifth Committee.

9. The scale of assessments on the member countries of the Group constituted an enormous financial burden and was therefore a matter of high priority for them. The Committee on Contributions should approve a methodology that would provide an adequate response to the problem of abrupt and disproportionate increases in assessments.

10. On the subject of the financing of peacekeeping operations, peacekeeping missions should be provided with the necessary resources to enable them to carry out their mandates as defined by the Security Council. At the same time, however, related budgets should be fully justified and efficiency enhanced. The Group was concerned that, in some cases, the relevant documentation had been issued late, thus reducing the time available for the discussion of proposals involving enormous financial resources.

11. The Group had a special interest in the search for a long-term solution to the problems of Haiti and would pay special attention to the financing of the United Nations Stabilization Mission in Haiti (MINUSTAH). It would also give careful consideration to the proposals of the Secretary-General relating to the regular budget of the Organization, as well as to the recommendations of ACABQ, in order to ensure that the Organization had adequate resources to carry out its activities.

12. On the administration of justice, the Group reaffirmed the need to guarantee the independence of the United Nations Administrative Tribunal and to reinforce mechanisms to ensure transparency, accountability and judicial safeguards for the staff of the Organization.

13. In connection with the capital master plan, the Group noted that the Under-Secretary-General for Management had commissioned a study of all available

options for the improvement of Headquarters facilities and of financing alternatives. He hoped that the study would give rise to new ideas and that the report would be available for detailed comment during the second week of November.

14. A particular concern of the Group was the need to strengthen internal oversight and accountability through the Office of Internal Oversight Services (OIOS) and it looked forward to receiving detailed proposals on that matter for consideration by the General Assembly.

15. The Group would make every effort to defend the independence of the International Civil Service Commission as the only reliable means of ensuring the improvement of the conditions of service of the staff of the United Nations. In the area of programme planning, it would endeavour to work effectively on the basis of the report adopted by the Committee for Programme and Coordination, which had later been endorsed by the Economic and Social Council.

16. He regretted the late issuance of the documentation necessary for the deliberations of the Committee, which affected in particular the smaller delegations.

17. **Mr. Debabeche** (Algeria) said that, at the current session, the General Assembly must not only adopt a programme budget for the biennium 2006-2007 but also consider measures for the implementation of the 2005 World Summit Outcome. Given the Assembly's heavy workload, the late submission of documentation was extremely regrettable. Indeed, it was doubtful whether the Committee would be able to complete its work by the deadline of 9 December 2005. One of the purposes of United Nations reform was to ensure the implementation of all decisions of the General Assembly. In that connection, the Secretariat must see to it that the rules concerning issuance of documentation were adhered to.

18. While his delegation welcomed the efforts made to rationalize the programme budget, it noted with regret that action for development had been assigned low priority. The ability of the Secretariat to implement the budget would, of course, depend on whether Member States paid their assessed contributions in full, on time and without conditions. He hoped that the situation with respect to the capital master plan would be resolved as soon as possible, since any further delay in implementing the plan would result in substantial additional expenditure and jeopardize the health of staff and delegates alike. Algeria had endorsed the 2005 World Summit Outcome, notwithstanding certain weaknesses. However, its lack of economic development would constrain its ability to fulfil the commitments contained therein. In that regard, his delegation awaited with interest the Secretary-General's proposal concerning implementation.

19. **Mr. Diab** (Syrian Arab Republic) said that the Committee must adopt a balanced programme of work that gave due prominence to budget-related items. He trusted that the Committee for Programme and Coordination would be represented when the proposed programme budget was introduced, in accordance with the usual practice. Lastly, adequate time must be allowed for the conduct of informal consultations.

20. **Mr. Yáñez** (Bolivarian Republic of Venezuela) said that it was important to promote the participation of all delegations in the work of the Committee so as to achieve a balanced outcome. Regrettably, at the previous session, a number of delegations had been excluded from the Committee's deliberations in violation of the basic principles of the United Nations. Informal meetings had been held without interpretation, procedures had been far from transparent and decisions had been taken without consultation. Consequently, the results of the Committee's work lacked legitimacy. The process leading to the adoption of the 2005 World Summit Outcome had also been riven with errors. The Outcome must therefore be considered to be without legal effect, and the proposals it contained could not serve as the basis for any negotiations on United Nations reform. He hoped that the problems he had highlighted would not arise at the current session of the General Assembly. His delegation, for its part, was ready to work constructively with others to ensure that the Committee's deliberations led to the best possible outcome.

21. **Mr. Tal** (Jordan) expressed regret that the chronic problem of late issuance of documentation persisted, notwithstanding repeated calls for enforcement of the six-week rule. Delegations must have time to give proper consideration to reports and to consult with their capitals, yet they were sometimes required to take action on documents on the same day that they received them. Their lack of preparedness affected the quality not only of the Committee's deliberations but also of the decisions ultimately taken. While his

delegation did not favour the deferral of items as a general rule, it believed that it might be prudent to defer certain less urgent issues so that the Committee could focus on time-bound items. Instead of making excuses, the Secretariat should extend the concept of accountability to the documents-processing chain.

22. **Mr. Kozaki** (Japan) said that there were many important and complex items on the agenda of the sixtieth session. His delegation would cooperate fully with the Chairman and the Bureau with a view to the efficient conduct of negotiations and the timely completion of the Committee's work for the main part of the session.

23. **The Chairman** said he took it that the Committee wished to approve the proposed programme of work for the first week of the session on the understanding that the Bureau would take into account the views expressed and make the necessary adjustments.

24. *It was so decided.*

Agenda item 121: Financial reports and audited financial statements, and reports of the Board of Auditors (A/60/113 and A/60/387)

(b) Voluntary funds administered by the United Nations High Commissioner for Refugees (A/60/5/Add.5 and A/60/387)

25. **Mr. Cabatuan** (Chairman of the Audit Operations Committee of the Board of Auditors), introducing the report of the Board of Auditors on voluntary funds administered by the United Nations High Commissioner for Refugees (A/60/5/Add.5), said that, while the format of the document before the Committee was similar to that of the previous year's report, efforts had been made to streamline it. During the 2004 cycle, the lead auditor for the Office of the United Nations High Commissioner for Refugees (UNHCR) had conducted two audits at headquarters and six visits to field offices. During the course of its audits, the Board had relied heavily on the work of the internal audit services provided to UNHCR by OIOS. However, given that only 9.5 of the 15 auditor posts provided for in the relevant memorandum of understanding between UNHCR and OIOS were currently being used, the Board was in the process of assessing the work of those services. It was also awaiting the results of an investigation conducted by the Inspector General's Office into a case of presumptive fraud uncovered by one of its field teams.

26. Although the Board had issued an unqualified opinion on the 2004 financial statements, the financial situation of UNHCR remained a cause for concern. The Office had ended the year with a significant shortfall, the 8 per cent increase in expenditures had not been matched by appropriate resources and unearmarked reserves were at a low level of $74 million. In addition, the issue of unfunded liabilities for end-of-service and post-retirement benefits remained unresolved. UNHCR had $262 million in unfunded liabilities, which was of particular concern given its dependence on fluctuating voluntary contributions. The Board was therefore looking forward to the Secretary-General's report to the General Assembly on that matter. The report also summarized the difficulties experienced by UNHCR in obtaining accurate financial information from the United Nations Development Programme (UNDP) relating to expenditures made by the latter on behalf of UNHCR.

27. Chapter II, section D, part 4, of the report dealt with the activities of the Department of International Protection. While the Department had fulfilled its mandate in an appropriate manner, there was room for improvement in the definition of priorities and the management of publications, legal advice and training. Given that 28 countries hosting 6.4 million persons of concern remained out of the Convention and the Protocol, the Department might not have addressed gaps in protection as efficiently as it could have done. Furthermore, the lack of clearly defined responsibilities and coordination at headquarters meant that there was a risk of inconsistency of protection policy in field offices. Up to 30 per cent of trainees in protection learning programmes did not complete their training, which was not adequately coordinated and monitored in the field.

28. The reaction of UNHCR to the Board's findings had been immediate. The High Commissioner and his team had undertaken to implement the recommendations and their follow-up report confirmed the extent of the measures taken.

29. Introducing the Board's report on the implementation of its recommendations relating to the biennium 2002-2003 (A/60/113), he said that, for the first time, a consolidated report covering the 15 organizations on which the Board reported on a

biennial basis had been submitted to the Committee. It was the Board's intention to further streamline the presentation of future reports by, inter alia, structuring them in a more reader-friendly manner. The report addressed recommendations which had been fully implemented, those which were under implementation, those which had not been implemented and those which had been overtaken by events. It made a further distinction between recommendations for which action by the Administration had been validated by the Board and those for which action had not yet been validated.

30. He drew attention to table 2 of the report, which showed that the total number of recommendations had increased from 208 in 1998-1999 to 509 in 2002-2003. Forty-six per cent of recommendations had been fully implemented, but the number of recommendations under implementation had declined to 45 per cent. However, some recommendations might require considerable time and resources for their implementation. Table 3 of the report provided a comparative analysis of rates of implementation of the Board's recommendations for the bienniums 2000-2001 and 2002-2003. Although there was still room for improvement, the Administration had, in general, taken steps to specify timetables for the implementation of recommendations, disclose officeholders to be held accountable and establish an effective mechanism to strengthen oversight of the implementation of audit recommendations.

31. The report also addressed the comments on the United Nations Office for Project Services (UNOPS) contained in General Assembly resolution 59/264 A. In May 2005, the Board had conducted a review of the actions taken by UNOPS, but the situation was very fluid and could have changed significantly in the interim. The Board had issued a disclaimer opinion on the financial statements for the biennium 2002-2003 because, inter alia, imprest accounts had not been reconciled. While the imprest account reconciliations for 2004 had now been undertaken, as at May 2005 the reconciliations for 2002 and 2003 had not yet been started, which could have a significant impact on the opening balances for the current biennium. It had also been impossible to carry out reconciliations with the general ledger because that particular function of the enterprise planning system was not working. In addition, data cleansing for 2005 had not been initiated.

32. As at May 2005, project budgets in the enterprise planning system had been exceeded by $40.3 million. Although the system's budget control function could be overridden to facilitate budgetary rephasing, the Board had not been able to substantiate any of the excess expenditure using that control function. At the time of the follow-up audit, a proper pricing policy to ensure full cost recovery was still in the conceptual stage and the estimated deficit of UNOPS for the 2004 financial year stood at $11.3 million, which would lead to the reduction of its operational reserve by approximately half. Lastly, as at May 2005, UNOPS had not fully addressed the Board's recommendation concerning the establishment and independent validation of an internal control framework following the implementation of the new enterprise planning system.

33. Lastly, the Board had noted that the inability of UNOPS to fully implement the recommendations was not due to a lack of attention or effort on its part. Rather, the Office was faced with the difficult task of addressing deficiencies while still operating within its limited existing resources and as a self-financed entity.

34. **Mr. Saha** (Acting Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee on Administrative and Budgetary Questions (A/60/387), said that the Advisory Committee's main cause for concern was the recurring deficit of UNHCR. While mindful of the difficulties faced by the Office, the Advisory Committee expected the Board to address the underlying causes of the deficit during its follow-up review and to develop concrete management audit recommendations to assist UNHCR in gradually reducing its deficit without negatively affecting its operations.

35. Most of the Advisory Committee's report was devoted to the Board's report on the implementation of its recommendations. It took the view that the Board could make further improvements to the format of the consolidated report by, inter alia, structuring it in a more reader-friendly manner. Furthermore, the type of formal feedback undertaken by the United Nations Children's Fund (UNICEF), including the assignment of specific departmental responsibility for implementation, should be emulated by other audited entities. There was a need for one comprehensive report on implementation. The Board should serve as the focal point for the preparation of such a report and should integrate the information supplied by the

various Administrations with its own comments and views.

36. The Advisory Committee's report concluded with a brief discussion of cross-cutting issues and called, in particular, for the speedy promulgation and implementation of a formal code of ethics.

37. **Ms. Taylor Roberts** (Jamaica), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the work of the internal and external oversight bodies of the United Nations, whose independence should be fully respected. The Group supported the work of the Board of Auditors and welcomed its continued focus on performance aspects which provided Member States with an opportunity to objectively evaluate performance. The Board should continue to strike an appropriate balance between financial and performance audits and provide stakeholders with sufficient information while continuing with its efforts to streamline its reports. In that connection, it would continue to benefit from the work performed by OIOS and from internal control systems.

38. The General Assembly now had an opportunity to consider the new format of the implementation reports which had been consolidated in accordance with its resolution 58/249 A. The Administration and the Board should continue to refine the presentation of the consolidated report while further streamlining it as the Assembly had requested.

39. The Group noted the implementation rate for the Board's previous recommendations and the elaboration by the Administration and the Board on specific recommendations. It also noted the efforts of the Administration to assign responsibility to specific office-holders and to set time frames for the implementation of recommendations in accordance with General Assembly resolution 59/212 B. The Group would comment further on those efforts under agenda item 122 but urged the Administration to make every effort to ensure the full implementation of the Board's remaining recommendations. There should be a clear distinction between the responsibilities of the Administration and the role of the Board, in order to ensure that the Board would continue to evaluate the response of the Administration to the oversight findings.

40. The Group noted with concern the dire financial situation faced by UNHCR and wished to reiterate its full support for the work of the Office of the High Commissioner and the need to fully implement the recommendations of the Board.

41. The Group took note of the report of the Board on the capital master plan (A/60/5 (vol. V)) and would revert to some of the related issues in the context of the Committee's consideration of the item later in the session. It remained concerned, however, at the escalating cost of the project as a result of delays in the design phase and urged the Secretary-General to ensure that the activities of the firms were better coordinated. It was also concerned at the delays in the establishment of an Advisory Board to advise the Secretary-General on the financial aspects of the capital master plan.

42. **Ms. Galvez** (United Kingdom), speaking on behalf of the European Union, the acceding countries (Bulgaria and Romania), the candidate countries (Croatia and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia) and, in addition, Iceland, the Republic of Moldova and Ukraine, commended the Board for the quality and thoroughness of its reports and, in particular, for the cohesive format of the report contained in document A/60/113.

43. The European Union was encouraged by the number of recommendations that had already been implemented and welcomed the significant increase in the implementation rate. In future reports, the Board should assess in more detail the implementation status of those recommendations that had not yet been implemented and analyse which recommendations necessitated immediate action. However, the European Union expressed concern at the recurrence of a number of recommendations in various departments of the Secretariat, which pointed to a lack of communication. When weaknesses were identified in one area, they should be corrected throughout the Secretariat and remedial action must be taken when there was a consistent failure to implement recommendations.

44. Her delegation had a number of additional concerns. First, new and expensive information technology projects had had a negative impact on the already precarious financial situation of some agencies. Secondly, in view of the long-standing financial problems faced by UNHCR, in particular the problems associated with after-service health insurance and post-retirement charges, the European Union supported the

relevant recommendations of the Board and took the view that, in accordance with General Assembly resolution 59/276, the United Nations should increase its regular budget contributions to the Office of the High Commissioner.

45. Thirdly, her delegation had taken note with interest of the Board's remarks on staff management, in particular fraud management, and re-emphasized that the rules governing recruitment in the Secretariat and agencies should be rigorously applied. Lastly, the lack of improvement in the situation at UNOPS remained a cause for concern, especially considering the previous year's call for rapid action.

46. **Ms. Kinnear** (Canada), speaking also on behalf of Australia and New Zealand, stressed the importance of the Board's role in improving management, transparency and accountability throughout the United Nations system. While her delegation commended the Board for the quality of its reports, it regretted the serious delay in the issuance of documentation, which prevented Member States from making proper use of them.

47. Australia, Canada and New Zealand welcomed the Board's recommendations concerning UNHCR, particularly those designed to improve its management. Best practices from other bodies both within and outside the United Nations system could be used to enhance the effectiveness of management and she welcomed the proposed measures to improve accounting practices and increase the accountability of inter-agency arrangements for the transfer of funds. UNHCR had made progress in regularizing project posts and, in that regard, the High Commissioner should clearly indicate the residual authority he would require to use that mechanism to, inter alia, meet surge demands for posts. Her delegation shared the Advisory Committee's concern at the lack of automation of human resources and administrative processes.

48. The Board's review of the implementation of its recommendations relating to the biennium 2002-2003 was an important tool for monitoring the development and strengthening of management practices. Accordingly, future reports should be clearer and contain, inter alia, a systematic analysis of the impact of the Board's recommendations on all audited entities. As far as UNICEF was concerned, her delegation had taken note of the Board's comments about the application of the special operations approach and the application of certain staff rules. While recognizing that organizations required flexibility to manage their staffing requirements efficiently and effectively, her delegation stressed that such flexibility should be based on a shared understanding among Member States that common system principles and standards would be applied.

49. The importance of the review of governance structures, principles and accountability, initiated at the Assembly's fifty-ninth session, had been underscored at the World Summit. It was time to assess the quality and effectiveness of the United Nations oversight machinery, its capacity for financial audit and its value for money. Her delegation would be grateful for further information on the status of the review and for any additional information about plans to further develop it in light of the Summit outcome. It urged the Secretary-General to proceed with a comprehensive review to ensure that the governance and accountability arrangements, practices and methods at the United Nations reflected current needs and good institutional practice.

50. **Ms. Lock** (South Africa) said that her delegation wished to associate itself with the statements made by the representative of Jamaica on behalf of the Group of 77 and China. The ongoing discussion on governance and accountability within the United Nations had been prompted, in part, by a number of corporate collapses, which had raised serious concerns about the independence of external auditors and the commitment of accountants to ethical standards. The Board of Auditors had been partly responsible for initiating the discussion, since it had suggested that the Fifth Committee and the relevant Administrations should consider closer compliance with governance structures and principles in line with international best practices. In that context, the Board had reaffirmed its own commitment to the exercise of caution in the implementation of its mandate and to promoting the fair presentation and disclosure of financial statements.

51. Member States had deliberately chosen not to define the scope of the review of governance structures, principles and accountability undertaken by the Administration, because they had not wished to restrict it to the regulatory and financial aspects of good governance. It had also been apparent that no blueprint could be applied to the Organization and that the review would take some time to complete. However, in view of recent proposals designed to

reform the management and oversight structures of the United Nations, it had become clear that there was a need for further dialogue between Member States and the Secretariat on the broad objectives and terms of reference of the review, which must be completed expeditiously and in a manner that would benefit the Organization in the short and long term.

52. Turning to the reports of the Board currently before the Committee, she noted that the number of recommendations and their implementation rate had increased significantly over the previous three bienniums. Since primary managerial responsibility and accountability for implementation lay with department heads and programme managers, the Secretariat and other audited entities should actively pursue the timely implementation of the relevant recommendations, in particular those that had not yet been implemented at all. With reference to UNOPS, while the Office had made considerable efforts to address the concerns raised by the Board, it might require more time and additional resources to fully implement the Board's recommendations.

53. South Africa was encouraged by the efforts of UNHCR to expand its donor base and to ensure that the Board would not have to modify its opinion on the financial statements. However, concerns remained over the precarious financial situation of UNHCR and its heavy dependence on voluntary contributions for core activities. In order to address that situation, the General Assembly should increase its regular budget contributions to the Office.

54. She took note of the recommendations designed to improve financial management and reporting, human resources management, performance evaluation, inter-agency coordination, assets management, payment of support costs, and programme delivery at UNHCR and welcomed the steps already taken by the Executive Board to implement them. Although UNHCR at times operated in a difficult environment and therefore required a degree of flexibility, the financial and staff rules of the United Nations and the accounting standards and provisions of the UNHCR Manual must be observed. UNHCR should therefore ensure that the Board's recommendations were fully implemented.

55. The reports of the internal and external oversight bodies provided Member States with an opportunity to reflect on the overall performance of the Organization, the use of its financial resources, the transparency of its decisions and the extent to which it managed risk. Accordingly, more time must be allocated for the consideration of those reports to ensure that Member States were able to give them the attention they deserved.

56. **Ms. Wang** Xinxia (China) expressed concern that, while in recent years the number of recommendations of the Board had increased, rising from 208 in 1999 to 509 in 2003, a considerable number of them had not been implemented or were still under implementation. As those recommendations had a significant role in ensuring progress, efforts in support of their implementation should be redoubled and in the next report causes of non-implementation should be clearly identified.

57. She was surprised to learn that, as at December 2002, 129 staff members of UNHCR were between assignments and wondered whether they received full pay.

58. She looked forward to the rapid finalization of the code of ethics for procurement personnel, which remained a priority concern to Member States.

59. **Mr. Yoo** Dae-jong (Republic of Korea) said that his delegation attached great importance to oversight issues and welcomed the increase in the number of the Board's recommendations and in their rate of implementation. Future reports should place more emphasis on qualitative aspects, impact analysis and cases of non-compliance.

60. While welcoming the consolidation of the reports into a single report, more transparency was needed, particularly regarding the reasons for delays in implementing the Board's recommendations. He was surprised at the lack of fraud detection mechanisms in many of the agencies and looked forward to early progress in that respect.

61. **Mr. Saha** (Acting Chairman of the Advisory Committee on Administrative and Budgetary Questions), responding to the concern expressed by the representative of the United Kingdom at the non-availability of the report of ACABQ, said that the report had been submitted on 20 September 2005 and issued on 4 October 2005.

62. **Mr. Hillman** (United States of America) said that his delegation had hoped to make a formal statement under item 121 but had not had sufficient time to prepare it. He therefore asked for the item to be kept

open so that his delegation could make its statement later in the week.

63. **The Chairman** proposed that the item should be kept open until the following morning.

64. **Mr. Hillman** (United States of America) requested 48 rather than 24 hours to prepare his delegation's statement.

65. **The Chairman** said that the Bureau would consider the request.

Agenda item 130: Joint Inspection Unit (A/60/34)

66. **Mr. Gorita** (Chairman of the Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) for 2004 and programme of work for 2005 (A/60/34), said that the Unit's report and programme of work had been consolidated into a single document in order to provide Member States with a fuller and more substantive picture of its activities.

67. The year 2004 had been a critical year for the reform of the Unit. There had been encouraging developments both in the reform process and in other important areas. In particular, Member States had taken a greater interest in the Unit's activity and supported steps to improve its methods of work. For its part the Unit had continued its efforts to better define its strategic position and more fully exploit its comparative advantage as the sole independent, external oversight body of the United Nations system. It had issued 10 reports, a note and a confidential letter in the preparation of which it had used its unique position to provide not only evaluation and oversight but also management advice across the system.

68. Its programme of work had been prepared with due regard for the priority themes of Member States and participating organizations. Of particular significance was the topic of oversight lacunae and he hoped that the report thereon would contribute to the Committee's future debates on management reform.

69. The Unit had continued its efforts to improve the implementation of its recommendations by participating agencies. The new and simplified follow-up reporting system was beginning to bear fruit and the implementation rate of recommendations was encouraging. The Unit was in the process of aggregating that information into tables, which it would share with the Committee the following year, and had sought to quantify its recommendations so that their impact could be savings, efficiency gains already developing the end.

70. JIU was aware tha needed in its methods o relevance of its contribu Nations system, and it continuing encouragem carefully examining the Summit Outcome with a relevance to its work an Unit to future debates on

71. **Ms. Galvez** (Uni behalf of the European (Bulgaria and Romani (Croatia and Turkey), th process countries and (Albania, Bosnia and Montenegro, the Forn Macedonia), and, in add Moldova and Ukraine, resolution 59/267 had b streamlining the work o effectiveness. The Europ was still considering w working procedures and made, but would be inter the progress of implemen

72. Most of the repor system-wide or inter-age Union looked forward to of their impact. The repo been particularly well re annual report on follo recommendations lacked involved, the European substantive assessment i the Unit's reports, inc organizations and their to them of the recomme the implementation participating organizati concern and the Union being taken by the Uni cases.

73. With regard to oversight bodies, coordi

identifying common areas of work, avoiding duplication and creating synergies and the Union therefore agreed on the need to adjust the format and frequency of coordination meetings.

74. She doubted whether it was useful to discuss the programme of work for 2005 during the last quarter of the year. Future work should be discussed at an earlier date and the Union would welcome ideas for the 2006 work programme. It would welcome in particular more information on the study that was being undertaken on oversight lacunae. It also had doubts about the proposed study on the implementation of 10-year-old recommendations on peacekeeping, the nature and size of which had changed almost beyond recognition during the previous decade. It looked forward, however, to the further report on host country agreements and to the report on the United Nations system staff medical coverage, in view of the budgetary implications and the growing problem of unfunded after-service health-care liabilities raised by the Board of Auditors.

75. **Ms. Taylor Roberts** (Jamaica), speaking on behalf of the Group of 77 and China, welcomed the consolidated format as the sole system-wide, independent, external oversight body of the United Nations. She commended the Unit on the improvements in the quality and relevance of its reports, reflected in particular in the series of reports on results-based management, which had been well received both by participating agencies and by the Committee for Programme and Coordination.

76. The Group welcomed the inclusion in the report of information on implementation and the results of follow-up to the Unit's recommendations and it supported efforts to measure their impact on participating organizations. JIU, the Board of Auditors and OIOS should continue to seek greater collaboration and coordination between them. For their part, host countries should facilitate the processing of visas so as to ensure that inspectors and staff of the Secretariat were not hampered in the effective discharge of their responsibilities.

77. **Mr. Iosifov** (Russian Federation) said that one of the main items on the agenda of the current session of the General Assembly was the question of strengthening and improving monitoring and oversight functions in the Organization. The Unit played a special role in the system of monitoring because of its unique position as the only indep oversight body of the United Nation the concrete steps taken recently enhance the quality and relevance of improve its coordination and coope Board of Auditors and with OIOS. Th been greatly facilitated by the steps t States to enhance its authority, in General Assembly resolution 59/267 positive reaction of a number organizations of the United Nations activities of JIU. The Unit's potential, from exhausted and it could be n effective in the future.

78. **Mr. Ramlal** (Trinidad and To despite its heavy agenda, accentuated problem of late documentation, he w the Committee would complete its wo Member States were willing to engag dialogue.

79. He noted with satisfaction the p of JIU, which had culminated in the Assembly of resolution 59/267, a assessment made of the Unit's serie results-based management by the Programme and Coordination, which benchmarking framework proposed by measuring progress. The same team produce those reports should be used Unit's 2005 work programme, bearing to ensure through collective responsib quality of reports, while achieving t optimal use of the Unit's limited reso of a system-wide approach and impact management criteria, and the accountability.

80. The report on the World Intel Organization (WIPO), for example, h well received by many Member State the potential to yield significant fi Such reports showed that, besides bein guides to best practices, the Unit management audit type reports of a h demonstrating its twofold comparative

81. In order to sustain those positiv Member States should ensure that provided with well qualified, compete strengthen the synergies and institution

United Nations oversight bodies with a view to enhancing accountability and optimizing the use of resources. He looked forward to receiving information from the Unit on the implementation of its recommendations, which was the Achilles heel of oversight, and their impact in the participating organizations.

82. **Mr. Yoo** Dae-jong (Republic of Korea) said that the consolidated report provided Member States with a more comprehensive picture of the activities of the Unit. His delegation hoped that in-depth discussion among Member States about the working methods and raison d'être of the Unit would improve the quality of its work in the coming months.

83. His delegation agreed that the discussion of the work programme for a given year should take place at the end of the previous year and that the Committee should consider the timing of the related discussions with that in mind.

84. While the Unit had issued 19 reports for the period 2002-2003, the information on the implementation of its recommendations was not sufficient to enable the impact of those recommendations to be measured. His delegation therefore welcomed the intention of the Unit to introduce quantitative and qualitative indicators of success to gauge the impact of recommendations on participating organizations. The same tabular, statistical and other information should be available on the implementation of the recommendations of JIU as for other oversight bodies, such as the Board of Auditors.

85. His delegation noted with satisfaction the coordination between JIU, the Board of Auditors and OIOS on the preparation of specific reports to define common areas of interest and to avoid possible duplication or overlap. It also noted with appreciation that decisions had been taken in the development of a biennial consolidated oversight workplan, the coordination of training activities and possible improvements in reporting mechanisms on oversight recommendations. He agreed with JIU that the mandates and functions of oversight bodies shared the common objective of ensuring the most effective and efficient use of the Organization's resources.

86. With regard to the work programme for 2005, the oversight lacunae issue, was directly related to oversight reform. His delegation would welcome more information from the Chairman of the Unit on the progress of work on the review of existing oversight bodies.

87. **Mr. Berti Oliva** (Cuba) commended the Unit on the good work it had done and the positive impact of the ongoing reform process. He noted with satisfaction the high rate of implementation of its recommendations by organizations of the common system and agreed that all oversight bodies shared the common objective of ensuring the most effective and efficient use of resources. The Unit should continue its dialogue with the oversight bodies of other organizations of the United Nations system.

88. The delays experienced by JIU and its secretariat in obtaining visas for its members for official visits were highly regrettable. Such problems impeded the investigative work of the Unit and had an impact on the deliberations of the Committee itself. It was deplorable that some host countries placed such obstacles in the way of the work of the United Nations. The same practice had occurred in the case of other entities of the United Nations system and he urged host countries to ensure the expeditious processing of visas so that inspectors had speedy access to all of the offices of the participating organizations.

89. **Ms. Shah** (United States of America) requested that the item should be kept open so that her delegation could comment on the report of JIU at a later stage.

90. **Mr. Gorita** (Chairman of the Joint Inspection Unit) thanked delegations for their encouraging statements about the progress achieved. He had listened carefully to the criticisms that had been made and would be happy to provide further information during the informal meetings.

91. **The Chairman** said that the item would be kept open as had been requested but reminded members of the need to respect the deadlines agreed to by the Committee for the conduct of its business.

The meeting rose at 12.35 p.m.